Introduced by Senator Kopp

February 28, 1997

An act to add Article 8.5 (commencing with Section 44088) to Chapter 5 of Part 5 of Division 26 of the Health and Safety Code, and to amend Section 6262 of the Revenue and Taxation Code, relating to air pollution. An act to amend Section 10770 of, and to repeal Section 10707 of, the Revenue and Taxation Code, and to repeal Section 677 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1250, as amended, Kopp. Air pollution: vehicles: federal oil overcharge funds Vehicles: annual registration.

Under existing law, there is a year-round registration system for vehicles which commenced in 1976. Under these provisions, existing law defines "1976 registration year."

This bill would delete this obsolete definition and make related and other technical, nonsubstantive changes.

(1) Existing law establishes a motor vehicle inspection and maintenance (smog cheek) program and a program for the repair or removal of high-emission vehicles.

This bill would establish a smog check repair assistance program to repair high-emission vehicles.

(2) Existing law generally requires any person registering a 1975 or subsequent model year gasoline-powered motor vehicle or a 1980 or subsequent model year diesel-powered vehicle last registered outside this state to pay a \$300 smog

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impact fee to the Department of Motor Vehicles at the time of registration. These revenues are required to be deposited in the General Fund after deduction of certain costs.

This bill would require those funds to be deposited in the Smog Cheek Repair Assistance Account which the bill would create in the Vehicle Inspection and Repair Fund, to be used, upon appropriation by the Legislature, for the purposes of the smog cheek repair assistance program.

(3) Under existing law, funds in the Petroleum Violation Escrow Account, as defined in federal law, consisting of federal oil overcharge funds, have been disbursed to this state by the federal government and deposited in the Federal Trust Fund in the State Treasury, a continuously appropriated fund.

This bill would, to the extent permitted by federal law, require all funds deposited in that fund to be transferred to and deposited in the Smog Cheek Repair Assistance Account, to be used, upon appropriation, for the purposes of the smog cheek repair assistance program. Those funds would be disbursed by the Controller, subject to approval by the Director of Finance as to which court judgment or federal agency order is the proper source of the funds.

Vote: majority. Appropriation: no. Fiscal committee: yes no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 8.5 (commencing with Section

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- 2 SECTION 1. Section 10707 of the Revenue and 3 Taxation Code is repealed.
- 4 10707. The phrase "1976 registration year" applies
- 5 only to vehicles which have been previously registered 6 and which are being converted to year-round
- 7 registration. It is the period of time beginning January 1.
- 7 registration. It is the period of time beginning January 1, 8 1976, and ending on the date designated by the Director
- 9 of Motor Vehicles as the date of expiration for the
- 10 registration of a particular vehicle.
- 11 SEC. 2. Section 10770 of the Revenue and Taxation 12 Code is amended to read:
- 13 10770. (a) If the fee for an original registration is not
- 14 paid within 20 days after it becomes delinquent, a penalty

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equal to 20 percent of the fee shall be added thereto and to be collected therewith with the fee.

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- (b) A penalty of 20 percent of the license fee shall be added on any application for original or renewal of year-round or annual registration made later midnight of the date of expiration or on or after the date penalty penalties become due. Such This shall computed after the vehicle license fee has been combined with the registration and weight fee fees as provided in Sections 9250, 9253, and 9400 of the Vehicle Code.
- (c) In computing the penalty for the 1976 registration year as prescribed in subdivisions (a) and (b) of this section, no penalty shall be charged on that portion of the fee which is in excess of a 12-month registration period.
- (d) Notwithstanding subdivision (a) of this section, any penalty which that became due prior to January 1, 1978, shall be computed at the rate of penalty which was then in effect.
 - *SEC. 3.* Section 677 of the Vehicle Code is repealed.
- 677. The phrase "1976 registration year" applies only to vehicles which have been previously registered and which are being converted to year-round registration. It 24 is the period of time beginning January 1, 1976, and ending on the date designated by the director as the date of expiration for the registration of a particular vehicle.
 - 44088) is added to Chapter 5 of Part 5 of Division 26 of the Health and Safety Code, to read:

Article 8.5. Smog Check Repair Assistance Program

44088. For purposes of this article, the following terms have the following meaning:

- (a) "Account" means the Smog Check Repair Assistance Account created by subdivision (a) of Section 44088.1.
- (b) "High polluter" means a high-emission motor vehicle, including, but not limited to, a gross polluter.
- 44088.1. (a) The Smog Check Repair Assistance 39 Account is hereby created in the Vehicle Inspection and 40

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Repair Fund. All money deposited in the account pursuant to this article, subdivision (c) of Section 6262 of the Revenue and Taxation Code, or any other provision of law shall be available, upon appropriation by the Legislature, to the department to establish and implement a program for the repair of high polluters pursuant to this article.

- (b) The department may accept donations or grants of funds from any person for purposes of the program and shall deposit that money in the account.
- (c) The funds which are available in the account in any fiscal year for a particular area that is subject to an inspection and maintenance program shall be determined by calculating the percentage of vehicles registered in that area to the total number of vehicles registered in areas that are subject to inspection and maintenance programs. That percentage shall be the percentage of the total funds allocated to the program in that fiscal year which are available for that particular area.

44088.2. The smog check repair assistance program shall be designed to repair motor vehicles registered in this state that are subject to an inspection and maintenance program, are producing high levels of emissions as a result of their use in this state, and exceed the allowable emissions standards for those vehicles as determined through required vehicle inspections.

44088.3. The repair of high polluters under the smog eheck repair assistance program shall be designed to offer repair cost assistance to qualified low-income motor vehicle owners for vehicles that are in need of repairs to obtain a certificate of compliance, as determined by the department.

44088.4. (a) Participation in the smog check repair assistance program shall be voluntary and shall be available to the owners of high polluters that are registered in an area that is subject to an inspection and maintenance program, have been registered to the owner for at least 24 months, are presently operational,

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1 and meet other criteria, as determined by the 2 department.

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- (b) The program shall provide for payment to the owner of up to 80 percent of the total cost of repair, as determined by the department, but the payment shall not exceed four hundred dollars (\$400). The vehicle owner shall be responsible for the remainder of the repair cost.
- (c) The department may increase the payment amount limits specified in subdivision (b) to reflect changes in the Consumer Price Index, as published by the United States Bureau of Labor Statistics.
- (d) The department may authorize participation in the program based on a reasonable estimate of the future revenues that will be available to the program.
- SEC. 2. Section 6262 of the Revenue and Taxation Code is amended to read:
- 6262. (a) In addition to any other fees and taxes required by this code and the Vehicle Code to be paid at the time of registration of a motor vehicle, as defined in Section 415 of the Vehicle Code, a person making application to register a 1975 or subsequent model year gasoline-powered motor vehicle or a 1980 or subsequent model year diesel-powered motor vehicle that is subject to Section 4000.2 of the Vehicle Code shall pay to the Department of Motor Vehicles a motor vehicle smog impact fee of three hundred dollars (\$300) for any such motor vehicle which, prior to the date of application, was last registered outside this state, unless the motor vehicle has been certified pursuant to Chapter 2 (commencing with Section 43100) of Part 5 of Division 26 of the Health and Safety Code. This subdivision does not authorize the registration of motor vehicles that are prohibited from being brought into this state pursuant to Article 1.5 (commencing with Section 43150) of Chapter 2 of Part 5 of Division 26 of the Health and Safety Code.
- (b) The determination that a vehicle is subject to the fee imposed pursuant to subdivision (a) shall be made by the Department of Motor Vehicles, or its designee.

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(1) For purposes of this chapter, if a motor vehicle does not have affixed a vehicle emission control label from which the Department of Motor Vehicles may determine whether the vehicle is California-certified, the vehicle shall be presumed not to be California-certified unless confirmed to be by the manufacturer.

- (2) Any manufacturer of light-duty motor vehicles doing business in this state shall provide information, within 30 days from the date of the receipt of a request from the Department of Motor Vehicles, stating whether a vehicle, identified in the request by the vehicle identification number (VIN) assigned by the manufacturer in accordance with federal law, has been certified for sale in this state pursuant to Chapter 2 (commencing with Section 43100) of Part 5 of Division 26 of the Health and Safety Code.
- (3) For purposes of this subdivision, "vehicle emission control label" means the permanent label that vehicle manufacturers are required to affix to motor vehicles certified by the State Air Resources Board for sale in this state in accordance with Chapter 2 (commencing with Section 43100) of Part 5 of Division 26 of the Health and Safety Code and pursuant to Sections 1965 and 1965.5 of Title 13 of the California Code of Regulations or any successor regulation.
- (e) After deduction of all costs incurred by the Department of Motor Vehicles in carrying out this section which have been approved by the Department of Finance, the revenues received pursuant to this section shall be deposited in the Smog Check Repair Assistance Account created by subdivision (a) of Section 44088.1 of the Health and Safety Code.
- (d) This section does not apply to a commercial vehicle, as defined in Section 260 of the Vehicle Code, with an unladen weight in excess of 6,000 pounds.
- (e) This section does not apply to any vehicle owned by a person who, pursuant to military orders or within three years following the date of discharge from or release from active duty in the armed forces of the United States, enters this state for the purpose of establishing or

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reestablishing residence or accepting employment, if the vehicle was acquired by the owner in a foreign jurisdiction where those military orders required the owner's presence.

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- (f) This section does not apply to any vehicle that is required to be registered on or after January 1, 1993, that has been subject to the fee imposed by this section within the prior four years, if the emission control devices and systems were not modified outside this state subsequent to the previous payment of that fee.
- (g) Notwithstanding any other provision of law, the fee imposed pursuant to subdivision (a) is imposed pursuant to the Sales and Use Tax Law.
- SEC. 3. (a) The Legislature hereby finds declares that the repair of high-emission motor vehicles results in improved operating efficiency and reduced energy consumption, as well as in reduced emissions.
- (b) Notwithstanding Sections 13340 and 16361 of the Government Code, all funds received by the state from federal oil overcharge funds in the Petroleum Violation Escrow Account, as defined by Section 155 of the Further Continuing Appropriations Act of 1983 (P.L. 97-377) or other federal law, consisting of federal oil overcharge funds available pursuant to court judgments or federal agency orders, and deposited in the Federal Trust Fund, ereated by Section 16360 of the Government Code, shall be transferred to and deposited in the Smog Cheek Repair Assistance Account created by subdivision (a) of Section 44088.1 of the Health and Safety Code, to be used, upon appropriation pursuant to subdivision (c), for the purposes of Article 8.5 (commencing with Section 44088) of Chapter 5 of Part 5 of Division 26 of the Health and Safety Code, to the extent permitted by federal law.
- (e) The money deposited in the Smog Cheek Repair Assistance Account pursuant to subdivision (b) shall, upon appropriation by the Legislature, be disbursed by 36 the Controller, subject to approval by the Director of Finance as to which court judgment or federal agency

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- 1 order is the proper source of those funds, for the purposes 2 specified in subdivision (b).